



Section I: Accomplishments



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Judges

Judicial Committees

The judicial committees address Court-related issues and consist of bankruptcy judges and management staff from the Clerk's Office. These committees are responsible for providing feedback regarding Court operations and administrative issues. Chief Judge Geraldine Mund and Executive Officer/Clerk of Court Jon D. Ceretto were ex-officio members of each committee. The 2002 standing judicial committees were:

- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Executive Committee
Judge Mund, Chair
Judge Ahart
Judge Barr
Judge E. Carroll
Judge Jury
Judge Lax
Judge Russell ▪ Case Management Committee
Judge Zurzolo, Chair
Judge Bufford
Judge Jury
Judge Riblet
Judge Robles ▪ Chapter 13 Committee
Judge Donovan, Chair
Judge Goldberg
Judge Lax
Judge Ryan
Judge Smith
Judge Zurzolo ▪ Education and Training Committee
Judge Jury, Chair
Judge Bluebond
Judge March | <ul style="list-style-type: none"> ▪ Pro Se Committee
Judge Goldberg, Chair
Judge Barr
Judge Bufford
Judge Greenwald ▪ Rules Committee
Judge E. Carroll, Chair
Judge Ahart
Judge Barr
Judge Bluebond ▪ Space and Security Committee
Judge Zurzolo, Chair
Judge Greenwald
Judge Naugle
Judge Riblet
Judge Ryan ▪ United States Trustee Liaison Committee
Judge Riblet, Chair
Judge Ahart
Judge Lax
Judge Naugle
Judge Ryan
Judge Smith |
|---|---|

The task forces/*ad hoc* committees were:

- | | |
|--|--|
| <ul style="list-style-type: none"> ▪ Judicial Practices Task Force
Judge Bluebond, Chair
Judge Alberts
Judge Jury
Judge Lax
Judge Riblet
Judge Robles ▪ Alternative Dispute Resolution
Judge Russell | <ul style="list-style-type: none"> ▪ Legislation Liaison
Judge Bluebond
Judge Bufford
Judge Donovan
Judge Goldberg
Judge Riblet
Judge Ryan ▪ Strategic Planning
Judge Ryan, Chair
Judge Riblet
Judge Zurzolo |
|--|--|

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**Judge Barry Russell
Appointed Chief Judge of the
Bankruptcy Court**

Following the completion of two three-year terms as Chief Judge of the Bankruptcy Court by Judge Geraldine Mund, Judge Barry Russell was appointed Chief Bankruptcy Judge, commencing on January 1, 2003. Judge Russell, who maintains his chambers in Los Angeles, has served as a bankruptcy judge for the Central District since 1974. Judge Russell is the senior judge in the Ninth Circuit and is fourth in seniority of all bankruptcy judges in the United States. Judge Russell served on the Bankruptcy Appellate Panel (BAP) from 1988 to 2001, and served as chief judge of the BAP from 1999 through 2001. He established the Court's mediation program in 1995, (see *Bankruptcy Mediation Program Assists the Court and Litigants*, page 12) which has handled over 2,500 matters. Before his appointment to the Court, he served as an estate and gift tax examiner for the Internal Revenue Service, a public defender for Los Angeles County, and an assistant U.S. attorney in Los Angeles. He received his juris doctorate degree from the University of California at Los Angeles. He authors the "*Bankruptcy Evidence Manual*" published annually by the West Publishing Company.

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**Judge Peter H. Carroll
Appointed as Bankruptcy Judge of the
Bankruptcy Court**

On August 1, 2002, Peter H. Carroll was sworn in as the newest bankruptcy judge in the Central District of California by Judge David N. Naugle. Judge Carroll earned his juris doctorate degree from St. Mary's University in San Antonio, Texas, where he served on the *St. Mary's Law Journal*. He served as director of the California Bankruptcy Forum until his appointment to the bench and was previously director and president of the Central California Bankruptcy Association. He has had several articles published on bankruptcy-related topics. Judge Carroll served as an assistant United States Trustee for the Department of Justice primarily in Fresno. Prior to his tenure with the Office of the U.S. Trustee, he was engaged in private practice at the law firm of Brite & Drought in San Antonio from 1976 to 1993.

His formal investiture was held on November 14, 2002, in Riverside, where he maintains his chambers.

***Pro Bono* Programs Offer Debtor Assistance**

The Court offers *pro bono* assistance programs to help *pro se* debtors (i.e., debtors not represented by an attorney) throughout the district. The programs operate in conjunction with volunteer attorneys and are designed to provide free legal assistance to debtors meeting certain eligibility requirements. The *pro bono* programs' goals are to familiarize debtors with the bankruptcy process and to ensure that they fully understand their legal rights. The programs benefit the Court by eliminating time delays caused by *pro se* debtors who are unfamiliar with the bankruptcy process and by enhancing the Court's commitment to service.

During 2002, the *pro bono* programs provided hundreds of low income *pro se* debtors assistance in preparing voluntary chapter 7 petitions and reaffirmation agreements as well as offering free legal representation in non-dischargeability adversary proceedings. (See Table 1, page 12).

Los Angeles/San Fernando Valley Divisions

In the Los Angeles and San Fernando Valley divisions, a *pro bono* program known as the Debtor Assistance Project (DAP) was established in 1997 by the Los Angeles County Bar Association's Commercial Law and Bankruptcy Section and Public Counsel, a not-for-profit legal organization, with the assistance and cooperation of the judges. During 2002, the DAP provided hundreds of qualified low income clients with assistance in preparing voluntary chapter 7 petitions and free legal representation in non-dischargeability adversary proceedings.

Santa Ana Division

Through the joint efforts of the Orange County Bar Association, the Orange County Bankruptcy Forum, the Orange County Public Law Center, and the Division's judges and clerks, a *pro bono* program operates in the Santa Ana Division. Twice a month, the local bar association holds chapter 7 debtor counseling clinics to provide bankruptcy related training and counseling as well as assisting qualified debtors in preparing petitions and schedules.

Riverside Division

The Riverside Division's *pro bono* program operates in conjunction with the Public Service Law Corporation to assist *pro se* debtors in adversary proceedings. During 2002, 513 debtors applied for assistance, but the majority of them did not meet the financial eligibility requirements.

Northern Division

The Northern Division's *pro bono* program was established in 2000 and is handled by two local attorneys who alternate counseling *pro se* debtors. The attorneys attend Judge Riblet's monthly reaffirmation agreement calendar and make themselves available for *pro se* debtors in need of assistance. Interested debtors then meet with one of the attorneys prior to their hearings.

Table 1
Central District of California Bankruptcy Court *Pro Bono*
Programs: 2002

Division	Date Program Introduced	Debtors offered Discharge-ability Assistance	Debtors Provided with Discharge-ability Assistance	Debtors Offered Reaffirmation Agreement Assistance	Debtors Provided Reaffirmation Agreement Assistance
Los Angeles	10/97	1,583	158	591	600*
San Fernando Valley	10/97	32		191	
Riverside	4/01	513*	3	N/A	N/A
Santa Ana	11/99	N/A	N/A	131	82
Northern	9/00	N/A	N/A	N/A	72
Total		2,128	161	913	754

* includes both co-debtors if jointly filed

Court Expands *Pro Bono* Efforts with "Required Education for Debtors"

The Los Angeles Division initiated a six-month pilot program known as "Required Education for Debtors" (RED) program on October 1, 2002, which is designed to help *pro se* debtors succeed in the bankruptcy process. RED requires *pro se* filers of chapter 13 cases assigned to Judge Zurzolo to attend a 30-minute education program prior to their 341(a) meeting. During the session, debtors are offered free legal assistance and are advised of the common pitfalls that lead to case dismissal. RED is a cooperative effort by Judge Zurzolo, the Clerk's Office, Public Counsel, Chapter 13 Trustee Nancy Curry, the Office of the U.S. Trustee and members of the legal community. RED expands upon the *pro bono* programs, developed in cooperation with the local legal community, that are already in place in all five divisions and serve the relatively high number of *pro se* debtors in this district. RED was provided to 49 debtors during 2002.

Bankruptcy Mediation Program Assists the Court and Litigants

Recognizing that formal litigation of disputes in bankruptcy cases and adversary proceedings frequently imposes significant economic burdens on parties and often delays resolution of those disputes, the Court established an Alternative Dispute Resolution (ADR) Program in 1995 that is believed to be the largest of its type in the nation. Commonly known as the Bankruptcy Mediation Program, it enables parties to resolve their disputes more quickly, at less cost, and without the stress and pressure associated with litigation.

As of December 31, 2002, 2,550 matters have been assigned to the Mediation Program since its inception in 1995. Of the matters assigned, 2,429 were concluded while 121 remained pending. Of the 2,429 completed matters, 1,533 (63%) were settled and 896 (37%) were not settled. Matters not settled resume litigation and are decided by a bankruptcy judge. Below are some key statistics about the Mediation Program since its inception:

Table 2 Central District of California - Bankruptcy Court Mediation Program Statistics: August 1995 - December 31, 2002	
Total number matters assigned to ADR	2,550
Total number of matters concluded 1,533 matters settled (63%) 896 matters not settled (37%)	2,429
Current number of pending matters	121
Number of mediators	204
Number of employees needed to administer the project	3

A computer program developed in-house tracks all matters assigned to the Mediation Program, monitors the mediators' assignments and availability, and generates numerous statistical reports by such categories as individual judge, division, chapter, matter description, and status of matter.

A comprehensive questionnaire enables the Court to determine the participants' perception of the Mediation Program. Data from these questionnaires are analyzed using a statistics computer program. Of the 6,470 questionnaires mailed to parties and attorneys who have attended mediation conferences, 2,102 completed questionnaires have been returned to the Court (representing a return rate of approximately 32%, which is considered excellent in view of the fact that questionnaires are anonymous and voluntarily submitted). Data from the completed questionnaires is outlined in Table 3.

Table 3 Participant Satisfaction with Mediation Program as of December 31, 2002	
Respondents satisfied with the mediation process.	83%
Respondents who would use the Mediation Program again.	93%
Respondents who considered their settlement fair.	82%
Respondents who believed parties will comply with settlement.	87%
Respondents who believed mediator was effective in encouraging clients to engage in meaningful negotiations.	84%
Respondents who believed mediator was effective in getting the attorneys to engage in meaningful negotiations.	85%

The Central District continues to benefit from the Mediation Program, enabling judges to focus on matters truly requiring judicial intervention. The Mediation Program also provides the judiciary with data demonstrating that mediation can resolve cases more quickly and at less cost while reducing the stress and pressure of litigation. The program also provides a model for implementing other successful programs throughout the United States.

The following charts display the matters assigned to the Mediation Program by chapter, as well as the distribution of mediation matters within the various divisions of the Court. (See Figures 1 and 2.)

Figure 1
Matters Assigned to Mediation Program by Chapter
(August 1995 - December 2002)

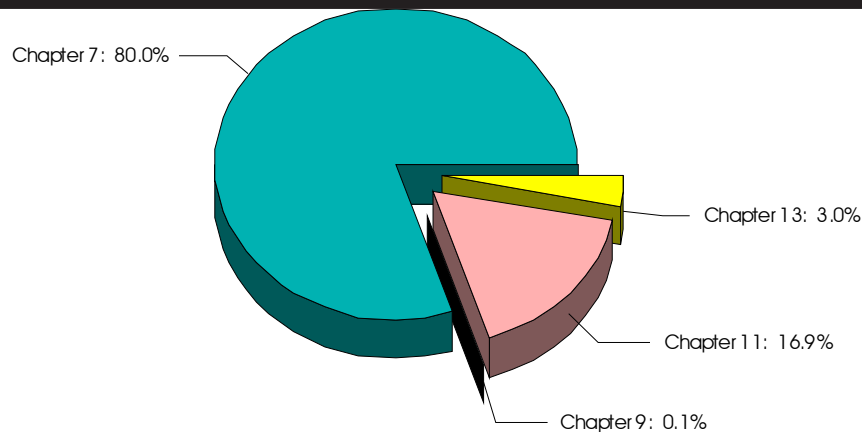
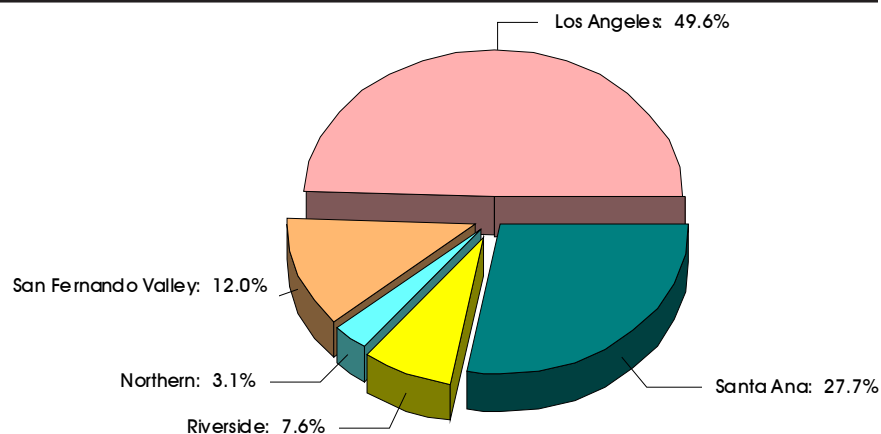


Figure 2
Distribution of Central District Mediation Matters
(August 1995 - December 2002)



Visiting Bankruptcy Judges Provide Support to the District

Judge Richard T. Ford, bankruptcy judge from the Eastern District of California, returned to the Northern Division as a visiting judge several times in 2002. During his visits, Judge Ford heard matters related to adversary proceedings and conducted trials from Judge Robin L. Riblet's caseload. Judge Ford began assisting the Northern Division in 1998 and completed his tenure as a visiting judge during 2002. He also adjudicated a Santa Ana Division adversary matter during the year. Judge John L. Peterson from Montana also presided over two trials on adversary matters from Judge Ellen Carroll's Los Angeles caseload.

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Judge Ryan Assumes Role as Presiding Judge of Bankruptcy Appellate Panel

On January 1, 2002, Judge John E. Ryan assumed the role as presiding judge of the Ninth Circuit's Bankruptcy Appellate Panel (BAP), succeeding Judge Barry Russell. The BAP is composed of six Ninth Circuit judges. The BAP judges work in panels of three and hear arguments throughout the Ninth Circuit. Judge Ryan is following the strong leadership precedent established by former presiding judges.

Judge Lynne Riddle Retires

Judge Lynne Riddle retired from the Court in April 2002, upon the expiration of her 14-year term. During her tenure, Judge Riddle handled a number of high profile cases, including Edwards Theaters, First Alliance Mortgage Company, and Boston West LLC. Judge Riddle has been an active member of the Orange County Women Bankruptcy Lawyers, the Inland Empire Bankruptcy Forum, and the Orange County Bankruptcy Forum.

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Judge March Returns to Private Practice

After completing her 14-year term in the Los Angeles Division on November 9, 2002, Judge Kathleen P. March returned to private practice. Judge March handled a number of high profile cases during her tenure with the Court, including Standard Brands Paint Company, Kent & Spiegel Direct, Inc., and Daewoo Motor America, Inc. Before her departure, Judge March served on the Education and Training Committee, the Rules Committee, the Automation Committee, the Chapter 13 Committee, the Case Management Committee, and was the chair of the United States Trustee Liaison Committee.

Six Judges Reappointed

During 2002, the following six judges were reappointed to the Bankruptcy Court for the Central District of California. All six judges were originally appointed to the bench in 1988.

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Judge Arthur M. Greenwald - Effective March 9, 2002, Judge Arthur M. Greenwald was reappointed to serve as a bankruptcy judge. Judge Greenwald sat on the *Pro Se* and Space and Security Committees in 2002.

Judge Robin L. Riblet - Effective March 30, 2002, Judge Robin L. Riblet was reappointed to serve as a bankruptcy judge. Judge Riblet sat on the Case Management Committee, Space and Security Committee, Strategic Planning Committee, Judicial Practices Task Force, Legislation Liaison Committee, and served as the chair of the United States Trustee Liaison Committee in 2002.

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Judge Kathleen T. Lax - Judge Kathleen T. Lax was reappointed to serve as a bankruptcy judge effective April 4, 2002. Judge Lax sat on the Executive Committee, Chapter 13 Committee, United States Trustee Liaison Committee, and the Judicial Practices Task Force in 2002.

Judge Alan M. Ahart - Judge Alan M. Ahart was reappointed as a bankruptcy judge effective April 4, 2002. Judge Ahart sat on the Executive Committee, Rules Committee, and the United States Trustee Liaison Committee in 2002.

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Judge Vincent P. Zurzolo - Effective April 18, 2002, Judge Vincent P. Zurzolo was reappointed to serve as a bankruptcy judge. Judge Zurzolo sat on the Strategic Planning Committee. He also was the chair of the Case Management and Space and Security Committees in 2002.

Judge Mitchel R. Goldberg - Judge Mitchel R. Goldberg was reappointed to serve as a bankruptcy judge effective June 1, 2002. Judge Goldberg sat on the Chapter 13 Committee and the Legislation Liaison Committee. He also served as chair of the *Pro Se* Committee in 2002.

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Court Implements Uniform Chapter 11 Procedures

With the approval of General Order 02-02 on April 17, 2002, the Court implemented uniform procedures for the administration of chapter 11 cases. The new procedures are designed to increase uniformity in the administration of chapter 11 cases within the district. They also provide concise parameters for motions requiring emergency or expedited relief, motions for emergency use of cash collateral financing and/or cash management, motions for orders establishing procedures for the sale of the estate's assets, motions to employ professionals, and other issues of importance in chapter 11 cases. The local bar association provided extensive input during the development of these procedures.

Court Develops Chapter 13 Fee Guidelines/Rights and Responsibilities Agreement

The Chapter 13 Committee developed *Guidelines for Allowance of Attorneys Fees in Chapter 13 Cases* (Guidelines) that outline the amount attorneys may charge chapter 13 debtors without Court approval, when a *Rights and Responsibilities Agreement Between Chapter 13 Debtors and Their Attorneys* (RARA) is filed. The RARA serves three functions: (1) helps debtors understand their rights and responsibilities in a chapter 13 case; (2) ensures that debtors know what services must be performed by their attorney if this optional agreement is utilized; (3) and if signed and filed with the Court, establishes that the attorney is eligible for fees of up to \$3,000 for self-employed individuals, and \$2,500 for all other debtors without a fee application. Approved by the Court during 2002, the Guidelines and RARA will take effect in 2003, upon revision of Local Bankruptcy Rule 3015-1 and the addition of Appendix IV to the Local Bankruptcy Rules.

Local Bankruptcy Rules and Forms Revised

Several Local Bankruptcy Rules were revised during the year and will take effect in 2003. Most significantly, Local Bankruptcy Rule 3015-1 was revised to require chapter 13 debtors to make postpetition, preconfirmation mortgage payments directly to mortgage holders; delete the 6 Month Rule provisions; and outline the procedures to be followed by debtors and their attorneys who choose to use the new RARA form. (See *Court Develops Chapter 13 Fee Guidelines/Rights and Responsibilities Agreement*, above.) Several new Local Bankruptcy Rules Forms were added, including mandatory forms relating to the reaffirmation of debts and the approval of reaffirmation agreements. Other Local Bankruptcy Rules were revised to improve clarity or to make them more consistent with the Federal Rules of Bankruptcy Procedure.

High Profile Cases Filed During 2002

With assets estimated in excess of \$231 million, Daewoo Motor America, Inc. filed a chapter 11 case in the Los Angeles Division (LA-02-24411). This is the first high profile chapter 11 case to be filed under the Court's new chapter 11 procedures. Consolidated Freightways Corporation of Delaware filed five related chapter 11 cases at the Riverside Division (consolidated under RS-02-24284). The corporation has approximately 300,000 creditors with estimated assets of over \$852 million.

Judges Active Outside the Court

Central District of California bankruptcy judges maintained busy schedules outside of the courtroom. Judges were frequent lecturers at law schools and legal forums. Various articles and books were also written by the judges. Below are a few of the activities the judges were involved in during 2002:

- Participated in educational bankruptcy law programs, including the Los Angeles Bankruptcy Forum, speaking engagements for bar association groups, and hosted lunch seminars for members of the bar and the public.
- Presented a scholarship award to one student from each of the five accredited law schools in the Los Angeles area.
- Assisted the Romanian government with establishing a bankruptcy system and bankruptcy laws in their country.
- Spoke with elementary and high school classes about the bankruptcy process.
- Organized a Volunteerism Committee that plans various social action events. The committee participated in blood drives, assisted the elderly at senior citizen care centers, and provided speakers for a variety of groups.
- Held courthouse tour for the public.
- Held an event to introduce members of the Court to the community.

Customer Service

Clerk's Office Launches and Expands *eFile* Pilot Program

On February 26, 2002, the Court received its first electronically filed motion through the *eFile* pilot program. Developed by the Clerk's Office, *eFile* is a system for electronically accepting filings from registered users via the Internet. This major customer service enhancement enables attorneys to electronically file selected documents around-the-clock from the convenience of their offices. Both the Court and end-users benefit from the use of *eFile* primarily through time and labor savings compared to the manual filing process.

Using retail web sites as a model, the Court incorporated many features into the *eFile* system to ensure that it is user-friendly. Formal user training is not necessary due to the online procedures, Frequently Asked Questions, and the availability of the *eFile* Support Center. The *eFile* Support Center is open during regular Court hours and is staffed with *eFile*-trained members of the Clerk's Office. This new program eliminates redundant operational processes through its integration with the Court's existing automated systems, including cashiering, docketing, calendaring, online case files, and order generation systems.

First introduced to five pilot attorneys for the electronic filing of Motions for Relief From Stay, *eFile* was substantially enhanced with the addition of the Judicial Order Generation System Phase II (JOGS II) in September 2002. After the order is generated utilizing data from *eFile*, JOGS II affixes the judge's signature, docket the order, and attaches an image of the order to the appropriate online case file. As a benefit to users of *eFile*, the Clerk's Office serves conformed copies of the orders to the parties listed on the proof of service for the electronically filed motion.

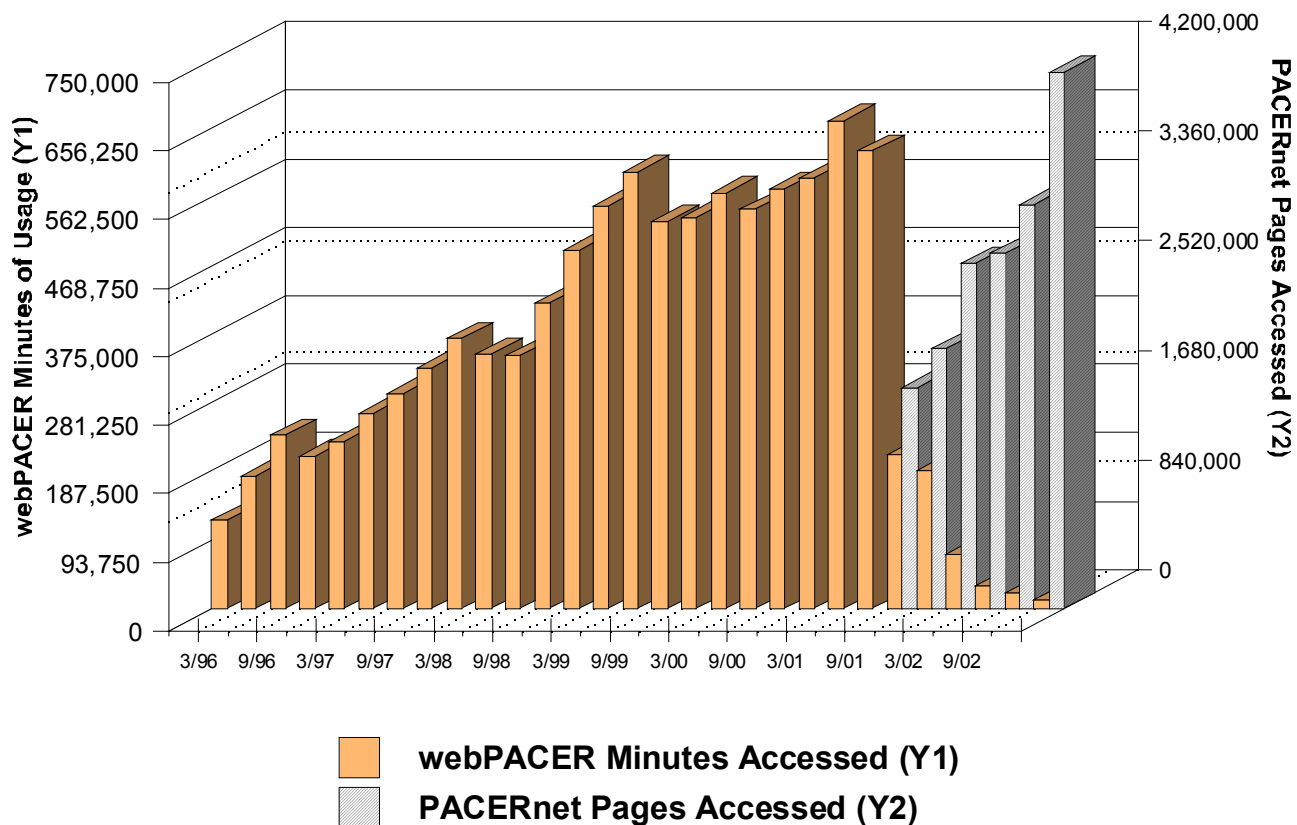
On November 19, 2002, *eFile* was expanded to accept the electronic filing of Adversary Proceedings. This *eFile* module enables the filer to complete an online Adversary Proceeding Cover Sheet (B104) and attach a portable document format (pdf) file with an image of the document. When the Court accepts the electronically filed adversary, the summons and a "filed" stamped copy of the adversary is automatically generated and e-mailed back to the plaintiff's attorney for service. The Clerk's Office saves time when adversaries are processed through *eFile*, as it does not have to complete/mail the summons nor cashier/enter data, docket, and image the adversary.

By the end of 2002, nine pilot attorneys and 14 pilot judges were participating in the *eFile* pilot program with a total of 310 relief from stay motions and 80 adversaries filed. The pilot program expired in January 2003, and the Court expanded the capability of *eFile* to enable all registered attorneys to file RFS motions and adversaries.

PACERnet Usage Soars During 2002

Public usage of PACERnet increased dramatically throughout 2002. The number of pages viewed by the public through PACERnet increased by 55% between the first and fourth quarters of 2002. Overall, a total of 12,564,202 pages were viewed during the year. PACERnet provides Internet access to the Court's online case file system and is an alternative to webPACER, the dial-up case access system. Since the introduction of PACERnet in July 2001, usage of webPACER has experienced a dramatic decline. A total of 138,462 usage minutes were logged during 2002, which is a sharp decrease from the 1,693,021 minutes logged in 2001. The PACERnet system offers users less expensive access to online case files, charging users \$.07 per page while webPACER charges \$.60 per minute. Users can also access files more quickly using PACERnet, which is web-based, than by using webPACER, which utilizes a dial-up modem.

Figure 3
United States Bankruptcy Court - Central District of California
PACERnet vs. webPACER Utilization



Public Access to Online Case Files Continues to Increase

The Court has made it a priority in recent years to provide the public with greater online access to case files. To accomplish this goal, the Court images the bankruptcy case documents most requested by the public and provides access to the documents through the Court's PACERnet and webPACER systems. The systems enable the public to review and print online case file documents 24 hours a day, 7 days a week, from any computer with Internet access. In 2002, the Court added electronic images of over 2,000,000 documents to its online case files.

Online case file automation is integrated into the Court's existing case management system. High-speed imaging equipment is used to scan case documents, and bar-coded cover sheets link each image to the appropriate online case file and docket entry. Before being made available to the public, imaged documents are quality controlled for legibility and to ensure they are linked to the appropriate case and docket entry.

In addition to the bankruptcy case documents most requested by the public, the Court also images case documents in certain "high profile" cases. Several high profile bankruptcy cases were filed in the District, including Steakhouse Partners, Inc. (formerly associated with Texas Loosey's Restaurants), Daewoo Motor America, Inc., and Consolidated Freightways Corporation of Delaware.

Drop Boxes Provide Convenience

Over 100,000 documents were filed through the drop boxes in the Los Angeles and San Fernando Valley divisions. Drop boxes enable the public to avoid waiting in line at Intake during peak periods while still allowing them to receive a conformed "filed" stamped copy of their documents. The Clerk's Office also benefits from being able to process drop box filings during non-peak hours.

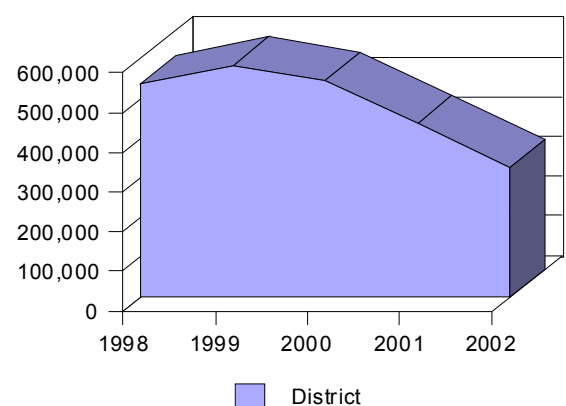
Voice Case Information System Provides Basic Information

The Voice Case Information System (VCIS) is an automated service providing basic bankruptcy case information through the use of a touch-tone telephone. Since the implementation of VCIS, the Court has created other electronic alternatives to access case information such as webPACER and PACERnet. As a result, public usage of the VCIS system has steadily declined over the last several years. During 2002, an estimated 327,000 calls were made to the system, a 25% decrease from the previous year when an estimated 438,000 calls were placed. (See Table 4.) Despite the recent drop in VCIS usage, the Court continues to provide the service to those who have not enrolled in PACERnet or do not have Internet access.

Table 4
Estimated Voice Case Information System (VCIS) Usage: 2001-2002

Division	Total Calls 2001	Total Calls 2002	Number Change	Percent Change
Los Angeles	195,000	159,000	-36,000	-18%
Riverside	90,000	51,000	-39,000	-43%
Santa Ana	63,000	45,000	-18,000	-29%
Northern	26,000	21,000	-5,000	-19%
San Fernando Valley	64,000	51,000	-13,000	-20%
District Total	438,000	327,000	-111,000	-25%

Figure 4
VCIS Call Volume: 1998-2002



Technology

The Clerk's Office staff developed the *eFile* system to electronically accept bankruptcy and adversary filings from registered attorneys. *eFile* uses Lotus Notes as a front end integrated to the Court's existing case management, calendaring, document retrieval, and order generation systems. The Court developed the system as an interim alternative to Case Management/Electronic Case Files (CM/ECF) developed by the Administrative Office of the United States Courts. (The current version of CM/ECF does not contain the features required by the Central District for the efficient processing of the Court's caseload.) *eFile* screens were created from images of actual document forms used in the district and contain "click and fill" boxes. The Court also provides an online manual and a staffed help desk to answer user questions. *eFile* is expected to facilitate the Court's eventual migration to the national CM/ECF system. (See *Clerk's Office Launches and Expands eFile Pilot*, page 19.)

Court Successfully Migrates to Lotus Notes E-Mail System

The Court completed its migration from the obsolete *cc:Mail* e-mail system to Lotus Notes version 5 on March 7, 2002, as part of judiciary's e-mail software upgrade to the national court standard. The Administrative Office provided the Court with two new servers to enhance performance of this new system. Since Lotus Notes routes e-mail directly to/from the recipient/sender, instead of through hubs, transmission of e-mail is much faster. Lotus Notes also offers more features than *cc:Mail*, including an interactive calendar, scheduler, and a national court address book. As part of the migration to Lotus Notes, technical and training staff developed an extensive training program for all staff. Excellent preparation and planning facilitated a successful district-wide implementation of this system.

JOGS Phase II Facilitates Order Processing

The Court introduced Phase II of the Judicial Order Generation System (JOGS) to *eFile* pilot judges during September 2002. Phase II facilitates the efficiency of the Court by replacing many of the manual tasks associated with docketing and processing Orders for Relief From Stay. Phase II automatically docket the order in NIBS, creates an image of the order for the online case file, attaches the electronic signature of both the judge and the clerk processing the order, affixes the proper stamps on the order, and affixes the docket entry number of the order. It also enables the order to be served on the parties on the same day it is signed by the judge.

Court Continues to Enhance Case Management Automation

Automation enhancements have been a key element in helping the Court become one of the most efficient bankruptcy courts in the nation. (See *Court Achieves Outstanding National Ranking for Third Year*, page 25.) During 2002, the Clerk's Office continued to develop and introduce enhancements to its case management automation systems. Among them are the following:

Automatic Dismissal Program Enhanced

The Clerk's Office enhanced the automatic dismissal reporting program for chapter 7 and 13 cases to automatically dismiss debtors who fail to comply with Bankruptcy Rules 1007 and 3015(b). The programs automatically print reports listing the candidate cases for dismissal for quality control by staff prior to automatic dismissal. This automatic dismissal program requests the dismissal notice and order from the Bankruptcy Noticing Center, automatically docket it, and updates the case status.

Auto Closing of Dismissed Chapter 13 Cases

Expanding on the automatic closing programs already in place, a new program was developed to automatically close dismissed chapter 13 cases. Using parameters developed by Operations, the program automatically selects the appropriate cases, prints and docket the Order Closing Case, creates an image of the order and attaches it to the online case file.

Auto Screening of Chapter 7 Case Filings

The Court's Intake Cashiering System was upgraded to automatically screen for undisclosed prior filings by debtors. The new program automatically reviews data in the case management system during the cashiering/filing of a bankruptcy petition and flags the case for referral to the assigned judge. Cases found to have a prior discharge are removed from the list of candidates in the NIBS automatic discharge program.

Assignment of Debtors to Pilot *Pro Se* Program Automated

A new pilot program requiring selected *pro se* debtors to attend a 30-minute training class (see *Court Expands Pro Bono Efforts with "Required Education for Debtors,"* page 12) benefitted from automation developed by the Clerk's Office. Using parameters developed under this pilot program, the Intake Cashiering System selects cases meeting the program criteria during the filing/cashiering process and automatically generates and docket an order requiring the debtor to appear at the training class. It also schedules the 341(a) meeting to coincide with this session.

Analytical Reporting Automated

Most of the manual processes associated with the collection and transmission of district-wide case management data to the Administrative Office were automated. This new automation also replaces most of the manual processes previously required for production of monthly in-house statistical reporting.

District-Wide Network Upgraded

As part of a national migration by the Judiciary to a frame relay network standard, the Court completed a project to upgrade its district-wide network. The new standard improves communication and Internet access within the Court. Future upgrades and expansions will be less costly and will provide the Court with an improved growth path for the Judiciary's wide-area network.

Court Upgrades Video Conference Sound Systems

The Court completed a project to upgrade sound systems in all video-conferencing courtrooms throughout the district. Replacing older Gentner systems, new ASPI EF600 units were installed to improve communications during video and teleconference hearings. The new ASPI system features digital echo canceling and audio pollution technology that eliminates distracting feedback and automatically adjusts sound volumes.

Case Administration

Court Achieves Outstanding National Ranking for Third Year

The *Bankruptcy Program Indicators* (case processing measures published by the Administrative Office) for the 12 months ending December 31, 2002, continued to place the Court among the top bankruptcy courts nationally. The Court ranked third out of all 90 bankruptcy court districts and second among large courts (filings exceeding 20,000). The Court's performance exceeded the national average in 14 of the 16 case processing measures. Also, since the prior quarter, the Court maintained or improved upon its performance in 10 of 16 case processing measures. The Court has ranked in the top three for the last three years in a row.

District-Wide Audit Completed

During the second quarter, the Administrative Office's Office of Audit conducted a district-wide audit of the Court; and the final report was issued in the third quarter. The audit, which is done on a cyclical basis, was performed by the firm of Clifton Gunderson LLP. The audit examined Court financial records, property management, procurement activity, and human resource practices. The Court's staff assisted the auditors by supplying requested documents and information before and during their site visits. The Court's financial statements were found to be accurately prepared, and no material weaknesses in the Court's internal control procedures were found.

Fiscal and ICS Manual Project Completed

During 2002, the Court completed the first major revision to the *Fiscal Manual* and the *Intake Cashiering System Manual* since 1994. The Financial Services Department, with the assistance of the Court's Information Technology Division and Operations staff in all divisions, revised the manuals. Each manual was completely re-written to cover each function in precise detail, reflect changes in internal controls, and present the information in a more logical order. "Best practices" were agreed upon by the divisions, and input was solicited from various users to maximize the effectiveness of the new manuals across the district.

Pending Caseload Continues to Decrease

As of December 31, 2002, there were 43,713 pending bankruptcy cases in the district. This figure represents a 5.2% decrease from the 46,001 pending cases at the end of 2001. However, the number of pending adversary proceedings increased by 25.3%. The large increase in pending adversary proceedings is attributed to the 30.8% increase in adversary proceedings filed in 2002.

Not only has the number of pending cases dropped, but the age of the pending caseload has also improved. Compared to 1995, the Court now has remarkably fewer cases that have been open for more than six years. Since 1995 (the first year for which information is available), the Court has made significant reductions in the percentage of older cases that remain pending. (See Table 5, page 26.) In recent years, the Clerk's Office staff has made the closing of cases pending after three years a priority.

Table 5
Central District of California - Bankruptcy Court
Analysis of Pending Case Aging: 1995 vs. 2002

	Pending Case Aging Category	12/31/95	12/31/02	Percent Change
Chapter 7	Percent 4 Months or Less	56.4%	82.0%	45.3%
	Percent over 6 years	4.7%	1.2%	(74.5%)
Chapter 11	Percent over 6 Years	18.5%	9.1%	(50.8%)
Chapter 13	Percent 3 Years or Less	82.2%	82.8%	(0.7%)
	Percent over 5 Years	5.0%	1.9%	(62.0%)
Adversary Proceedings	Percent over One Year or Less	64.2%	80.8%	25.9%
	Percent over 3 Years	13.9%	5.6%	(59.7%)

Clerk's Office Maintains Excellent Performance in Areas of Docketing and Imaging

The Clerk's Office monitors the time it takes to enter a document on the bankruptcy or adversary docket from the day it is filed with the Court to foster efficient case processing and quick availability of case information to the public. During 2002, the Court continued its excellent performance by docketing 90.8% of all items within one day of filing and also had a high percentage of items imaged within one day of being entered on the docket. Through December 2002, 91.2% of all items throughout the district were imaged within one day of being entered on the docket. This rapid turnaround time provides the public with quicker access to case information and significantly contributes to the public acceptance of our online case files.

Human Resources

New Deputies-in-Charge Take Over in Los Angeles and Riverside

Dennis Tibayan and Chris Lippens were appointed as the Deputies-in-Charge of the Los Angeles and Riverside divisions, respectively, in 2002. Their appointments were necessitated by the retirements of Velma Clayter in Los Angeles after 33 years of service and Victoria McMurray after 41 years of service. Mr. Tibayan and Mr. Lippens each have over 10 years of experience with the Court and have worked in various managerial positions.

Clerk's Office Implements New Human Resources System

The Clerk's Office implemented a sweeping new human resources system known by the acronym *A Red P*, Alignment of the Court's Recruitment, Evaluation, Development, and Performance of employees. Developed by the Clerk's Office with the assistance of the Office of Personnel Management, this new system provides clearly defines job profiles for each position that specify both general and technical competencies critical for successful job performance. The benefits of competency-based management include clear expectations of job requirements, consistent recruitment and evaluation criteria, proactive training and development geared toward the attainment of the required competencies, and enhanced succession planning. Implementation of *A Red P* is key to supporting the Court's goals and mission.

To facilitate the implementation of the new system, the Staff Development Department (SDD) created a new procedures methodology for assessing the needs of the Court. The SDD developed an online needs assessment survey for Case Initiation and Courtroom Services. The information from these surveys will help ensure a well-trained work force. The Clerk's Office also selected training liaisons at each division to be the focal point for training information and reporting training information.

Clerk's Office Sustains Substantial Budget Reduction

As the result of the 6.2% across-the-board budget cut implemented by the Administrative Office, the Court experienced a budget shortfall of approximately \$1.8 million for fiscal year 2003. This forced the Court to involuntarily separate 24 members of the Clerk's Office staff. This staffing reduction is in addition to that imposed in 2000, when the Clerk's Office separated 16 staff members. The Clerk's Office achieved further necessary payroll reductions through normal staff attrition. Staff reductions were based upon either the abolishment of selected positions or upon seniority within individual job classifications and/or skill certifications.

Affected employees were given more than 30 days advance notice of their impending separation. During this notice period, these individuals were provided career transition assistance. Relieved of their regular job duties, they reported to the Court's Career Transition Center established in the Los Angeles Division. The Center was a joint venture of the Court and the Los Angeles County Displaced Worker Unit. The goal of the Center was to provide affected employees with tools to develop and implement career action plans, which included securing employment, returning to school to obtain a degree, or, in some cases, relocating or even changing career direction. The Center was equipped with telephones, computer workstations with Internet access, printers, a photocopy machine, and a fax machine. At the expiration of the notice period, eligible employees received a severance package.

Tuition Reimbursement Program Assists Eight Employees

Eight employees received over \$3,900 of financial assistance to pursue work-related educational goals. The funds enabled these individuals to work toward obtaining both undergraduate and graduate degrees. In addition, one employee earned an Adult/Vocational Instruction Certificate and another earned a Human Resource Management Certificate with grants from the program. The Court's Tuition Reimbursement program has provided financial assistance to Court employees pursuing work-related educational goals since 1997.

Employees Honored in Annual Award Ceremonies

Executive Officer/Clerk of Court Jon D. Ceretto joined Chief Judge Geraldine Mund in extending appreciation to Court employees for another successful year during the 2002 Special Service Award Ceremonies held throughout the district during September. Every division hosted a ceremony where awards were given for outstanding commitment to service and for length of service. Chief Deputy of Operations Michael E. Rotberg, Chief Deputy of Administration Kathleen J. Campbell, and each division's respective deputy-in-charge were in attendance. In addition, Judge Barry Russell in Los Angeles, Judge Peter H. Carroll in Riverside, Judge Robert W. Alberts in Santa Ana, and Judge Robin L. Riblet in Santa Barbara also expressed their appreciation with congratulatory remarks. The ceremony was followed by a catered buffet, and each employee received a tote bag embroidered with the Court's logo as an expression of gratitude.

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Employee of the Month Program Continues to Reward Superior Service

Each month, the Court held an “Employee of the Month” ceremony to honor a staff member in the Clerk’s Office who excelled at his or her position, put forth extra effort to assist fellow employees or the public, or improved the overall work environment. The Court presented the monthly recipient an “Employee of the Month” certificate, a customized plaque, a leather portfolio, and a moderate cash award. Additionally, an article spotlighting the employee appeared in the Court’s monthly newsletter, the *Full Court Press*.

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Back Row: (From Left)

Jon D. Ceretto, Executive Officer/Clerk of Court; Michelle Maxon, Santa Ana (July);
Vickie Alcala, Los Angeles (February); Yvonne Gooch-Carter, Los Angeles (May);
Denise O’Guin, Los Angeles (January); Richer Dubois, Riverside (August)

Front Row: (From Left)

Joyce Buchheit, Riverside (December); Jewell Roque, Santa Ana (November);
Angelica Cervantes, Los Angeles (October); Adrianna Thompson, San Fernando Valley (June)

Not Present:

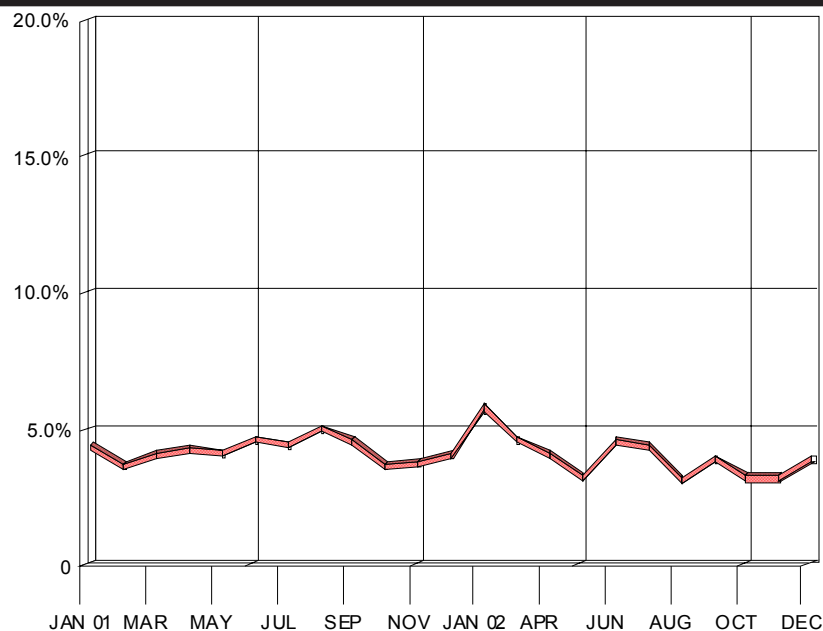
Kerri Goetsch, Northern Division (March); Donna Johnson, Los Angeles (September);
Floyzelle Lowe, Los Angeles (April)

Quality Assurance/Training

Quality Control Efforts Continue to Show Improvement

For the year 2002, more than 96% of all new petitions processed in the district were entered into the Court's Intake Cashiering System without a single error. This is especially impressive when considering that hundreds of characters are entered into ICS for each petition. Moreover, this represented a 5.1% improvement over the error rate for 2001 and a 32.7% improvement over the error rate for 2000. The Court achieved this impressive statistic by providing staff with training targeted toward ensuring that all information from the petition is entered without error. The Court's reduced error rate was yet another example of the fulfillment of its mission to provide accurate information and quality service to the public.

Figure 5
Central District of California - Bankruptcy Court
Percent of New Bankruptcy Petitions with Data Entry Errors



QC/ICS Expanded to Include Adversary Proceedings

The quality control of newly filed adversary proceedings underwent an enhancement during 2002. The Court developed a program to automate quality control of data entered on new adversary proceedings. The new program, implemented in December 2002 after extensive testing, features screens identical to an adversary to enable fast and accurate review of entry data. It allows quality control of the new adversary filings, similar to the quality control process for bankruptcy petitions. It also supplies management with statistical data to track quality trends and error rates, which assist in determining training needs.

Clerk's Office Continues to Emphasize Staff Development

Throughout 2002, the Clerk's Office continued to provide staff with a variety of training opportunities to develop their skills. Over 11,000 hours of training in 1,818 classes were provided in 2002. (See Table 6.)

Table 6 District - Wide Training: 2002							
Classes		Staff Participant Hours					
Name	Quantity	Total Hours	LA	RS	SA	ND	SEV
ABRA ESS	3	145	145	0	0	0	0
Domino Administration	21	168	168	0	0	0	0
FAS4T User Forum II	3	18	18	0	0	0	0
Implementing Microsoft Windows XP Professional	5	26	0	0	0	26	0
IntelliTrak	1	8	0	8	0	0	0
JOGS - Court Staff	11	54	31	13	5	0	5
JOGS - Judicial	14	52	21	10	6	8	7
Lotus Notes	80	1,477.5	810	281	125	83.5	178
PowerPoint	1	45	0	0	45	0	0
TOTAL	139	1,993.5	1,193	312	181	117.5	190
FJC/AO-SPONSORED PROGRAMS & FJTN PRESENTATIONS							
Amistad: The Federal Courts and the Challenge to Slavery	2	15.5	0	0	15.5	0	0
Basic Procurement Seminar	4	56	56	0	0	0	0
CM/ECF Bankruptcy Software	1	10	10	0	0	0	0
Court Forum: Managing Performance Problems	4	64.5	52.5	0	7.5	4.5	0
Court to Court (Feb. 2002)	2	14.5	0	0	14.5	0	0
Effective Time Management 2	1	0.5	0	0	0.5	0	0
FAS4T	1	6	6	0	0	0	0
Financial Planning Series, Part One	1	5.5	0	0	5.5	0	0
Hire and Coach the Right People from the Start	2	36	21	0	15	0	0
How Cases Move Through the Bankruptcy Court	1	5	0	0	0	0	5
IT Talk/IT Focus	3	6.5	6.5	0	0	0	0
JPO Long Term Care Web Conference	1	2	2	0	0	0	0
Leading in a Time of Crisis	2	10.5	0	0	10.5	0	0
Leading Through Lessons of Experience	2	4	0	0	0	4	0
Managing Staff Conflict	2	15	13.5	0	0	1.5	0
Martin Luther King, Jr.: The Man and His Dream	5	27	9	0	18	0	0
Negotiation and Effective Court Administration	2	21	21	0	0	0	0
Rain of Terror	1	3	3	0	0	0	0
Rights and Benefits When you Enter Active Duty	1	4.5	4.5	0	0	0	0
Structured On-the-Job Training	4	16	0	0	0	16	0
Workshop For Newly Appted. Court Training Specialists	4	8	8	0	0	0	0
Workshop for Deputies-in-Charge	9	63	22.5	22.5	18	0	0
TOTAL	55	394	235.5	22.5	105	26	5
OTHER TRAINING							
A RED P Orientation	19	403.5	187.5	93	51	18	54
Safety Programs	25	233	52.5	0	60.5	0	120
Coaching Yourself and Others for Peak Performance	2	14	14	0	0	0	0
Retirement Seminars	11	237.5	104	73.5	40.5	19.5	0
EAP Seminars	3	27	0	0	0	18	9
Lunch and Learn/On-the-Job Training	1,538	7,153	2,909	2,843.5	647.5	231	522
The Basics of Taking Physical Inventories	1	14	14	0	0	0	0
Video Conferencing	2	10	7	0	0	0	3
Who Moved My Cheese?	21	561	198	198	87	0	78
Write to the Point	2	14	0	14	0	0	0
Total	1,624	8,667	3,486	3,222	886.5	286.5	786
GRAND TOTAL	1,818	11,054.5	4,914.5	3,556.5	1,172.5	430.0	981.0

Facilities/Emergency Preparedness

District-Wide Security Enhanced

In a continued response to the threat of terrorism following the tragic events of September 11, 2001, the Court strengthened its ability to protect itself and respond to any type of emergency. A District-Wide Emergency Coordinator was appointed to ensure that emergency planning and preparedness throughout the five divisions was uniformly and fully maintained. Established in past years, Building Security Committees at the divisions continued to focus on security and emergency preparedness issues specific to each division. These committees are comprised of judges, Clerk's Office management, and Federal law enforcement agencies.

The Court worked closely with local and Federal agencies to provide extensive emergency response training to key staff members, thereby improving the Court's ability to quickly and safely evacuate staff and the public if necessary. Fire drills were held for the general staff. In addition to those trained in prior years, selected staff completed training in the Los Angeles Fire Department's Certified Emergency Response Training (CERT) program, the handling of biohazards, use of special mail handling equipment, and general crime prevention.

Improvements made to Buildings throughout the District

As in the previous year, various cosmetic and operational improvements were made to buildings throughout the district. Some of these improvements are listed below:

Carpet Replacement Program

A cyclical maintenance project to replace carpeting in the Roybal Building began in 2001. During 2002, carpet was replaced in selected judicial chambers, executive areas and secured corridors on the 12th, 13th, 14th, 15th, and 16th floors. The only remaining chambers is that of Judge Donovan, which will be carpeted during the first quarter of 2003.

District-Wide Renovation Program Commenced

The district-wide repair/maintenance program is underway. The scope of work includes repairs and refinishing of all the courtrooms, touch-up of millwork in chambers, wall covering cleaning and general repairs in all divisions. Repairs to the Santa Ana's Ronald Reagan Building were also completed. The Woodland Hills and Santa Barbara divisional offices are expected to be completed during the third quarter of 2003. Repairs to the remaining Los Angeles and Riverside divisional offices are expected to begin during the summer of 2003.

Miscellaneous Improvements and Upgrades throughout the District

A secured parking structure for the judges in the Riverside Division was completed. This structure is being used by both Bankruptcy and District Court judges and staff. In Los Angeles, two air conditioning units were installed in the Roybal Building's computer room in an effort to protect delicate computer equipment from possible damage caused by variations in temperature. Throughout divisional offices in the district, a public area artwork program was completed. This program placed framed art pieces in public areas throughout the district. The artwork was selected by committees in each division and approved by judges and Court management.

Building Space Reconfigured

Several space reconfigured projects were undertaken. These projects, which included the relocation of the Staff Development Department and the *eFile* team and the reconfiguration and streamlining of the Imaging area, resulted from various consolidations, department relocations and streamlining of functions within the Clerk's Office. All of these projects are expected to be completed during 2003.

Video Hearing Room Approved for San Fernando Valley Division

In late 2002, the Court received approval from the Ninth Circuit to construct a temporary video hearing room in the San Fernando Valley divisional office. This hearing room will be constructed on the first floor, in space recently vacated by the Office of the U.S. Trustee. It is expected to be completed in 2003.

Community Outreach

Staff Contributes to CFC Campaign

In 2002, Court employees contributed \$44,814 to a multitude of charities through the Combined Federal Campaign (CFC). In addition to the contributions by staff, the Court also supplied the CFC with a “loaned executive,” who helped coordinate various government agencies in determining and reaching common contribution goals. The CFC, established in 1963, is the only authorized charitable campaign in the federal government workplace. The CFC allows federal employees to contribute money to hundreds of different charities, which support worthwhile causes throughout the world.

Los Angeles and Riverside Divisions Participate in Blood Drives

Numerous staff members from the Los Angeles and Riverside divisions participated in blood drives during November. Participants were given a special “blood donor” t-shirt in appreciation of their efforts.

Santa Ana Division Participates in Numerous Charitable Causes

The Santa Ana Division was active in numerous charitable efforts. The division assisted the Orange County Rescue Mission House of Hope by donating food and clothing to the charity, which provides food, shelter, clothing, and health care to needy families. The division also donated clothing and toys to the Orangewood Children’s Home, which provides temporary housing for children who have been removed from their home due to abuse.

Divisions Celebrate Youth Day 2002

The Court’s annual Youth Day was held on April 25, 2002, with over 100 children participating throughout the district. The activities included: filing a mock petition, participating in a mock 341(a) meeting conducted by an actual trustee (Amy Goldman, Brad Krasnoff, Charles Daff, and Robert Whitmore), a poster art contest, and a presentation on personal finances (not spending more than you have). The participants also spent time with their sponsor to learn about the sponsor’s job functions. The day concluded with each participant receiving a personalized certificate of attendance.

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